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Indiana Economic Development Corporation

Barbara McNutt
Chief Counsel
Indiana Professional Licensing Agency

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Dear Ms. McNutt:

Pursuant to IC 4-22-2-28, The Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small businesses associated with rule changes proposed by the Indiana Professional Licensing Agency ("IPLA") on behalf of the Private Investigator and Security Guard Licensing Board ("Board") and contained in LSA Document 07-342. This proposed rule adds 874 IAC concerning private investigators and security guards to establish application and renewal procedures and implement the requirements of SEA 506, P.L.185-2007, which significantly improves the manner in which state government regulates the private investigator and security guard industries. Prior to the enactment of SEA 506, P.L.185-2007, the Indiana Professional Licensing Agency (IPLA) issued a "Private Detective Agency" license to both actual private detective agencies as well as to security guard companies. IPLA did not issue individual licenses to private detectives or to security guards. The new law requires the separation of the private investigator firm and security guard agency professions and eliminates the requirement to issue Authorized Employee ID Cards, which will significantly improve the way both professions are regulated.

There are currently 417 private investigator firms and 227 security guard agencies licensed by the Board, resulting in 644 entities that would be subject to the proposed rule. The Board does not have the information necessary to determine which of these entities are small businesses. Therefore, the estimates reflected in the impact statement reflect the maximum possible economic impact assuming all affected entities are small businesses. Under the statutory provisions in effect prior to the effective date (July 1, 2007) of SEA 506, P.L.185-2007, an average of 101 agency licenses were issued annually, and an average of 272 agency licenses were renewed annually. These averages are expected to continue under the current statutory provisions.

The proposed rule does not impose any new reporting requirements on affected small businesses. Costs associated with the rule consist of the cost in acquiring a criminal history background check that the proposed rule establishes as a requirement for issuance and renewal of a private investigator firm and security guard agency license. The cost to acquire the background check will vary based on the county in which the check is performed and the option (paper or electronic) that the applicant selects. Applicants for new licenses will be required to submit an Indiana State Police limited criminal history check, and Indiana State Police fingerprint search, and a county background check. In Marion County the cost to obtain these documents will range from \$27 to \$36.32. If 101 applicants obtained the required background checks for 101 qualifiers, based upon the example above, the annual cost to the regulated entities would be between \$2,727 and \$3,668 per year.

Approximately 272 licenses are expected to be renewed on an annual basis. License holders will be required to obtain state limited criminal history background checks only as a

condition of renewal. Based upon the cost of a background check of between \$7 and \$16.32, the annual cost to regulated entities will be approximately \$1,904 and \$4,439.

The IEDC does not object to the economic impact to small businesses associated with the proposed rule. The impact statement provided by the IPLA assumes that all affected entities are small businesses. Additionally, the Board is proposing this rule to establish the requirements for licensure and renewal for private investigator firms and security guard agencies as mandated by SEA 506, P.L.185-2007. The proposed rule will set out guidelines that will effectively implement the changes enacted by P.L.185-2007 and will also require that a license verification of any other state license held by the applicant be a requirement for consideration for licensure. The costs associated with the rule appear reasonable given that the criminal history background check and the verification of out-of-state licenses are critical to the application process and outweigh the fee that may be assessed to obtain these documents. This information will ensure that licensees and any potential licensees do not have any criminal convictions or disciplinary history that would affect his or her practice in the state of Indiana and the services they may provide to the consumers of Indiana.

If you have any questions about the comments contained herein please contact me at 233-8962 or rasberry@iedc.in.gov.

Regards,


Ryan Asberry

Assistant Vice President